

20 October 1953

MEMORANDUM FOR: COLONEL WHITE

1. Following is the sequence of events in connection with the question of whether the Agency can and should include differentials as "additional compensation" in computing lump-sum leave payments:

25X1A (a) 7 August 1953, [redacted] called to your attention the need for study of practices whereby employees resign abroad and collect territorial or post differentials on their accrued terminal leave payments.

(b) 24 August 1953, Personnel Director reported on Personnel Office study which indicated that: (1) Agency personnel serving in territories receive differentials by virtue of Civil Service regulations and that such regulations provide for inclusion of differentials in computing terminal pay; (2) voucherized employees serving in foreign areas draw differentials under the standardized post differentials promulgated by the State Department (for all Federal employees except Foreign Service personnel) and these regulations also provide for inclusion of differentials in terminal pay; (3) unvoucherized CIA employees obtain differentials identical with those given Foreign Service personnel as a result of Agency determination made under authority of Public Law 110; (4) [redacted] was incorrect in stating that personnel could both resign overseas and get Government-paid transportation home since the Government provides transportation only while employment relationship continues between the individual and the Government.

(c) Because the Personnel Office merely supplied the information outlined above without making clear-cut recommendations for action you forwarded a memorandum to the Personnel Director, dated 19 September 1953, requesting specific proposals for each of the various categories of personnel (voucherized and unvoucherized, whether serving in foreign areas or U.S. territories).

2. The Personnel Office has now replied to your 19 September memorandum. The Personnel Office memorandum points out that all Agency personnel assigned to U.S. territories should continue to have the option of resigning prior to returning home and having differentials computed in terminal pay since they are given the right to do this by regulations which have been promulgated pursuant to appropriate statutory authority.

✓ 159

2.

The Office of the General Counsel concurs in this memorandum which states that Public Law 110 does not give CIA authority to set aside this right. Unvouchedered employees serving in foreign areas (as indicated in 1b3 above) are not now eligible to have differentials computed in their terminal pay. The Personnel memorandum recognizes that different treatment is, therefore, accorded to this group of employees. The Personnel Director recommends, however, that no change be made to allow these employees the same rights given to all personnel stationed in territories and to vouchedered personnel in foreign areas. There appears to be no question but that Public Law 110 would authorize CIA to make such a modification in the Foreign Service differentials regulations.

3. The Personnel Office memorandum of 24 August 1953 pointed out that only in the rarest cases would we have an employee's resignation for the purpose of raiding the public treasury. In most cases, the financial advantage would be more than offset by the costs of home transportation to be born by the former employee.

4. The Personnel Office memorandum adds up to making no change in present Agency policy or regulations. Recommend that this course be approved.

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Subj. file